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Principles of Industrial Organization. By DEXTER S. KIMBALL.

New York: McGraw-Hill Book Co., 1913. 8vo, pp. xiv+272.

\$2.50.

Perhaps not the least interesting thing about this volume is the criticism it has aroused among certain economists who have viewed it from an angle never contemplated by its author. Indeed, the fact that a book intended primarily for engineering students should be discussed and reviewed by economists at all is an interesting sign of the times; an indication that, whatever may be the fate within the workaday manufacturing world itself of the attempt now being made to apply scientific methods to industry, the movement has already had a decided influence upon our economic thinking. The reason for all this is not difficult to discover. But that is not, perhaps, within the province of this review. The reviewer may, however, be permitted to raise the question whether this reawakened interest among economists in the first-hand study of industry as it is—in the details of processes and the reasons, mechanical and technical, for existing industrial forms—may not point to at least one line of approach toward the attainment of the ideal raised by those economists, who, dissatisfied with the cut-and-dried taxonomy so characteristic of much of our economic thinking, are crying out for a study of things as they are.¹ And, should the followers of the older school despise the dirt and noise of the machine-shop and foundry, let them turn again to one they claim for their prophet and ask the question: Upon what did Adam Smith base his plea for *laissez faire* if not upon just such an intimate inquiry which had led him to see the possibilities of increased productivity through division of labor which could only work itself out under a freed industry?

But to return to the innocent occasion of this digression, Professor Kimball's book. The volume may be divided roughly into three main sections: first, the preface (really an important and integral part of the book) and the conclusion (chap. xix), which together outline the *raison d'être* of the work, develop the mode of attack, and, finally, sum up the points scored; second, chaps. i-iv, which present the historical material; third, chaps. v-xviii, which treat of the principles of industrial organization *per se*. As the review is concerned with the first two of these divisions, consideration of them at this point would be redundant. The discussion of the principles of industrial organization given in the third

¹ It is not without significance that the most successful disciples of this school have been men working in the field of labor.

section does not differ in outline materially from what may be found in works upon this subject already in the field. It may be interesting, however, from a pedagogical point of view, to note that Professor Kimball breaks away from the plan followed by Diemer, Tyrrell, and others, in that he reserves the discussion of plant location for the end of the book, after the examination of all the factors involved.

From the narrow viewpoint of the economic theorist there is much in the first four chapters of the *Principles* to excite criticism. From the standpoint of a textbook for engineers only, one wonders why these chapters were included. But once the theme of the book is recognized, not only does this become clear, but it is immediately seen that the work would fail of unity without this section. What, then, is the theme? To use the author's own expression, it is

an endeavor to set before young men entering the industrial field the salient facts regarding the most important movements with which they are sure to be brought in contact, and to explain the origin and growth of the important features of industrial organization. . . . To the engineer whose ever-widening circle of usefulness brings him more and more in contact with economic problems these are matters of peculiar importance, and it is for the needs of young engineers primarily that the book has been written, being based on a course of lectures given by the writer for a number of years past at Sibley College of Mechanical Engineering, Cornell University.

It has been the reviewer's privilege, not only to sit under Professor Kimball during the time that this book was being planned, but to hear at first hand his hopes as to its sphere of influence.

To appreciate the point of view of the author we must realize the type of man with whom he is dealing and also something of the educational background that goes to make this type. Educators have long realized that an engineer must be something more than a technician; but custom and necessity have crowded the work of the engineering school into the space of four short years with the resultant impossibility of giving a well-rounded training. The effect of this upon the student needs no comment here. He emerges in his Senior year with great faith in the technique of his own science, but without much appreciation of how that science fits in with the rest of human activities. Usually also he has a supreme contempt for such knowledge. That is to say, from the very nature of his work the machine, with all its possibilities of increased output and lessened unit-cost, has been his object of study, and his face has been set toward the improvement of that machine in order still further to increase its output and lessen its cost. That the

machine must operate among men has too seldom occurred to him. And that from the social viewpoint its improvement is large with possibilities for ill as well as for good is entirely foreign to his mind.

Now the man who can best point out the wider social significance of the problem to these embryonic engineers is one who has already earned their respect through his own mastery of the technique of their science, and Mr. Kimball from the vantage-ground of years of successful experience as an engineer and teacher—an experience that has carried him from the Atlantic to the Pacific and back again—sounds a warning that will be at once understood, because the mode of expression is that of the shop, and heeded, by reason of the professional standing of the author.

But all this does not mean that there is not much in the book for the economist and for his students. On the contrary, this man with a rather different way of putting things has vivified many facts that, essential as they are, have become trite through many repetitions. As an example of this, attention may be called to the analysis of the character of the inventions that marked the industrial revolution.

Finally, the book is well worth reading if only to secure the point of view of an engineer who, realizing as he does that "industry is the business of the civilized world and [that] the greater part of our problems . . . center around the great industrial questions," is big enough to say to young men just about to give their lives to a study of manufacturing that, after all, "the great problem that confronts us is not that of production but that of distribution."

F. M. SIMONS, JR.

UNIVERSITY OF CHICAGO

The Credit System. By W. G. LANGWORTHY TAYLOR. New York:
Macmillan, 1913. 8vo, pp. 417. \$2.25.

For the present reviewer an adequate description of the contents of this book is an impossibility. Although he professes to know English and to have some acquaintance with two or three other tongues, he does not understand the language in which this book is written. Half of the sentences are enigmas which he has been unable to solve, and to trace the current of the author's thought from paragraph to paragraph and from chapter to chapter is a task which would require more time than could be spared for a book review, even if it should not prove to be impossible.